

**2003 Multi-Species CDQ
Second Quarter Report
(Public Version)**

for the

**Aleutian Pribilof Island
Community Development
Association**

July 30, 2003

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I. Quarterly Highlights

APICDA's employment goal for 2003 is to provide at least 80 jobs for APICDA residents. By the conclusion of the second quarter, a total of 73 job positions (69 discrete individuals) had been filled by APICDA residents, generating wages of \$313,237 for the quarter.

During the second quarter, six individuals attended various vocational education or specialized training programs. A total of \$21,105 in vocational education scholarships on behalf of APICDA residents was spent this quarter.

Forty-two individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$93,706 in higher education scholarships on behalf of APICDA residents has been spent year-to-date.

The third year of APICDA's summer internship program started in the second quarter. Eight individuals are participated at various companies with interests in the APICDA region. In general, APICDA contributes fifty percent of the wages. Through the second quarter, APICDA contributed \$8,048.

APICDA published a newsletter in April. The new letter covered highlights of APICDA and its subsidiaries, operations and events throughout the first quarter and recapped on activities of the last quarter of 2002.

Management and staff spent approximately 233 "person days" in the APICDA region in the second quarter. Project development, project maintenance, and community outreach were some of the activities/purposes for their trip(s) to the APICDA communities.

APICDA's harvesting partner, Cascade Fishing Inc harvested a total of 1,704 metric tons of our yellowfin sole CDQ (ninety-seven percent of APICDA's total allocation of 1,758 metric tons). APICDA also transferred in 370 metric tons of yellowfin sole from NSEDC, and Cascade harvested approximately 305 metric tons of that allocation. This marks the first time any CDQ group has fully harvested its flatfish allocation. In addition to fully utilizing the yellowfin sole allocation, bycatch in this fishery was extremely below the industry average.

Halibut CDQ fisheries in Atka and St. George started in May and June respectively. At the end of June, Atka's harvest increased forty-six percent in comparison to last years, while the St. George's production was almost identical to last years.

AVI continues to have success in the sablefish pot gear fishery in the Bering Sea. AVI's wholly owned vessel *Konrad I* harvested approximately 117,000 pounds of IFQ/CDQ Bering Sea sablefish in the second quarter.

Please visit APICDA web site at: www.apicda.com

II. Community Development

A. Progress Toward Goals, Objectives, Milestones

The following is a review of the highlights from APICDA's goals, objectives, and milestones. See Tables 1 through 7 for a specific review of all milestones, by community.

1.) Employment: APICDA's employment goal for 2003 is to provide at least 80 jobs for APICDA residents. By the conclusion of the second quarter, a total of 73 job positions (69 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$313,237 for the quarter.

2.) Training: APICDA's goal is to provide vocational education and training assistance for any resident who desires the opportunity or needs help. During the second quarter, six APICDA residents attended various vocational education or specialized training programs. Total funds requested and approved were \$21,105.

3.) Education: Forty-two individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$93,706 in higher education scholarships on behalf of APICDA residents has been spent through the quarter.

4.) APICDA Joint Ventures, Inc. (AJV) Activities: AJV activities during the second quarter consisted of overseeing the various subsidiary corporations, including Atka Pride Seafoods, Puffin Seafoods, L.L.C., Kayux Development, L.L.C., APICDA Vessels, Inc., Nelson Lagoon Storage Company, L.L.C., Nazan Bay Inn, Prowler, L.L.C., Ocean Prowler, L.L.C., Golden Dawn, L.L.C., Bering Pacific Seafoods, L.L.C., and MUM Alaska, L.L.C. AJV continued to discuss the formation of new joint venture corporations, and to review other investment opportunities.

5.) APICDA Vessels, Incorporated (AVI): AVI activities during the second quarter consisted of harvesting both IFQ and CDQ halibut and sablefish. This includes the five *AP* boats, *Konrad I*, *Bonanza*, and the newly acquired *Taty Z*. Upon approval of the AVI Board of Directors, management sold the F/V *Stardust* and F/V *Surf Bay*. AVI purchased the 55 foot longliner F/V *Taty Z* in late March of 2003. This vessel will primarily be used in the Atka halibut fishery.

6.) Atka Pride Seafoods (APS) Activities: Atka Pride Seafoods commenced operations in May. Through June 30, the local fleet had harvested a total of 155,000 pounds of area 4B CDQ halibut and a small portion of sablefish (3,500 pounds).

In addition to purchasing halibut and sablefish, APS has initiated an IFQ loan program similar to APICDA's. Since its inception in late 2003, APS has processed five loans in the total amount of

\$154,273. This program has financed the purchase of approximately 50,000 pounds of halibut IFQ for local resident Atka fishermen.

7.) Puffin Seafoods, L.L.C.: St. George fishermen, fishing for Puffin Seafoods, started fishing in late June. The fish are being tendered to St. Paul, where Trident Seafoods is custom processing for Puffin. Through June 30, the local fleet had harvested a total of 10,000 pounds of halibut. .

8.) Nelson Lagoon Storage Company, L.L.C.: Management and AJV Board of Directors traveled to Nelson Lagoon in April to view the operation and discuss the 2003 season with the new storage manager.

9.) OceanLogic, L.L.C.: Approximately 50 copies of the electronic logbook (ELB) have been purchased by NMFS on behalf of the trawl fishermen in the Gulf of Alaska and the Bering Sea. NMFS has also been contracting with OceanLogic to travel to Kodiak and help train the local fishermen.

10.) Bering Pacific Seafoods, L.L.C.: The plant continues to be in the “care taker” mode. Management and AJV Board of Directors have made trips to False Pass in the second quarter to discuss the future of BPS’s onshore facility with the residents of False Pass.

11.) Ugludax Lodge: MUM Alaska, the company which manages the Ugludax Lodge in Nikolski, is offering a \$100,000 reward to the lodge guest who catches a world record sport caught halibut.

The lodge season started out slower than expected. Bookings are good in August and September, but are very slow otherwise. This is the trend throughout Alaska this year, as many folks are choosing to stay home because of the economy and foreign affairs.

12.) Sea Urchins: Sea urchin harvests in St. George are being suspended until next year. In the interim, AJV’s construction engineer has made visits to St. George to prepare a proposal for refurbishing the existing harbor masters building to accommodate a small urchin processing facility. Upon board approval, construction to up-grade the building is expected in the winter of 2003. If all goes as planned, a fishery will be conducted sometime in the early summer of 2004.

B. Outreach

APICDA staff traveled to many of our communities during the second quarter to meet with residents and discuss a wide variety of CDQ and development related issues. Management and staff spent approximately 233 "person days" in the APICDA region in the second quarter. Project development, project maintenance, and community outreach are some of the activities/purposes for their trips to the APICDA communities.

APICDA's Human Resource department is actively recruiting APICDA residents for available positions and anticipated future positions with APICDA, APICDA subsidiaries, and APICDA harvesting partners.

C. Employment

CDQ Local Resident Employment for Second Quarter, 2003 and Year-to-Date

	Quarter		Year-To-Date		Year-To-Date
	Positions	Wages	Positions	Wages	Discrete People
Management/Admin	13	\$110,753	25	\$207,988	13
Board Members	9	\$23,700	18	49,800	9
CDQ A/B Season	3	33,297	6	50,851	3
CDQ C/D Season					
Other Fishing	41	137,317	47	209,286	41
Internships	8	8,048	8	8,048	8
Other Employment	8	23,822	25	73,502	20
Totals	73	\$313,237	111	\$549,675	85
		Yearly		Yearly	
		Discrete		Discrete	
Quarter Discrete	69	Positions	103	People	70

Note: "Positions" are the total number of individuals who receive compensation for the quarter or year-to-date. "Discrete people" and "discrete positions" refer to the actual number of individuals or positions during the time period. Several individuals were employed in different categories during the quarter or year-to date; this means that these individuals are double (or triple) counted in the "positions" column or category, and show up in more than one of the "discrete people" categories; however, they are only counted once in the bottom line under "discrete people" or "discrete positions." Additionally, **Appendix 15** provides a complete listing by name, category, and community for all individuals employed for the second quarter. **Appendix 16** provides a complete list of Alaska Residents employed by APICDA and subsidiaries in the second quarter.

Summary

Management/Administrative: During the second quarter, there were thirteen APICDA residents who received compensation for management/administrative duties. These functions ranged from staff employment to Community Liaison Officers (CLO) activities. The total expended during the quarter was \$110,753.

Board Members: During the second quarter, nine board members from various boards received compensation for their duties and responsibilities. Total compensation for the quarter totaled \$23,700 (this figure IS NOT included in the above financial statistics).

Direct Employment from CDQ Pollock Fishing: Three APICDA residents were employed in pollock fishing and/or processing operations at-sea on the *C/P Starbound* during the quarter. Total wages were \$33,297.

Other Fishing: Forty-one APICDA residents were employed in the "other fishing" category: One APICDA resident participated in the Pacific cod fishery on the *F/LL Bering Prowler*; four APICDA residents generated wages as deck hands on the *F/V Konrad I*; two APICDA resident participated as deck hands on the *F/V Taty Z*, one APICDA resident generated wages as a deck hand on the *F/V Barbara J*, twenty-three APICDA residents generated wages from the Atka Pride Seafoods operations; seven APICDA residents received wages from the Puffin Seafoods operation, and three APICDA residents participated in stevedoring activities in Akutan. Total wages for all other fishing activities combined for the second quarter was \$137,317.

Internships: The third year of APICDA's summer internship program started in the second quarter. Eight individuals are participated at various companies with interests in the APICDA region. In general, APICDA contributes fifty percent of the wages. Through the second quarter, APICDA contributed \$8,048. Following is list of interns with a brief description of their summer intern program:

Name	Community	Internship
Amber Guitard	Unalaska	Qawalangin Tribe Bookkeeper, Unalaska
Layton Lockett	Nelson Lagoon	APICDA Admin Office, Juneau
Delores Mack	Unalaska	Aleut Corp., Anchorage
Jess Morrison	Unalaska	NMFS Field Office, Unalaska
Debbie Prokopeuff	Atka	Atka Pride Seafoods, Office Assistant
Viola Stepetin	Atka	NASA Engineering Internship, Ohio
Sabrina Wilt	Unalaska	Qawalangin Tribe Bookkeeper, Unalaska
Lynelle Philemonoff	Nikolski	Alaska DOL, Anchorage

Other Employment: Seven APICDA residents were employed in a variety of non-direct fishery activities, including the Ugludax Lodge, L.L.C., Bering Pacific Seafoods, L.L.C. operations, and maintenance/construction projects directly related to APICDA CDP projects. Total wages generated for the second quarter were \$21,472.

Ancillary Employment and Economic Impacts: The activities of APICDA and its subsidiaries generate significant economic benefits in the region, but much of the benefit is not captured by the existing employment and earnings data tables. For example, the Atka Pride Seafoods facility in Atka purchases fish from resident fishermen. Similarly, APS (and other

APICDA subsidiaries) employs local residents, regional residents, other Alaska residents, and non-residents. The purchase of fish and the payment of wages, whether to residents or non-residents, have an undeniable economic impact in the community. Goods are purchased with the money received and taxes are paid to the city, the borough and the state.

Even though BPS is in a "caretaker" mode of operation, essential services provided by the City of False Pass continue to be needed. BPS employed one local resident during the quarter. In addition, BPS purchased services from the City of False Pass, store, and individual community members.

D. Training & Education

Training and Education for Second Quarter, 2003 and Year-to-Date

		Quarter		Year-To-Date	
		People	Expenditures	People	Expenditures
Scholarships					
	Post Secondary	42	\$11,662	42	\$93,706
	Vocational	6	21,105	16	31,385
Voc-Tech Classes					
	Basic	0	0	0	0
	Advanced	0	0	0	0
Other Training					
	Fisheries Related	0	0	0	0
	Student Loans	0	0	0	0
	CDQ Staff/Board	3	5,449	6	15,608
	Other	0	0	0	0
Other Expenditures					
To Educational Institutions					
Education Endowment Funds					
	Community Conference	43	0	43	50,739
	Fish Association Grants	N/A	20,000	N/A	120,000
	School Grants	N/A	0	N/A	41,714
	Miscellaneous Grants	N/A	2,850	N/A	5,140
	Total	94	\$61066	107	\$358292

Summary

1.) Vocational Education: During the second quarter, six individuals attended various vocational education or specialized training programs. A total of \$21,105 in vocational education scholarships on behalf of APICDA residents has been spent this quarter.

2.) Higher Education: Forty-two individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is in the amount of up to \$5,000 for the school year. A total of \$93,706 in higher education scholarships on behalf of APICDA residents has been spent year-to-date.

3.) Other Expenditures: APICDA provides various programs to the communities that derive funds from the Training & Education Program. These programs provide benefits to APICDA communities in education, experience, and good will services.

APICDA awards fishermen association grants in the amount of \$20,000 yearly to our seven participating fishermen's associations. These grants provide seed money to the associations for fishery-related projects, organizational expenses, and funds to participate in regulatory fishery management meetings. A total of \$120,000 was been awarded year-to-date.

The Miscellaneous Grant program is available for projects in the community that otherwise do not fit within existing APICDA programs. An amount up to \$2,857 can be awarded to eligible community. The Executive Committee reviews each proposal before funds are awarded. A total of \$5,140 has been distributed year-to-date.

The School Grant is available to schools in each of the eligible communities. A total of \$6,000 per year is available. At the November APICDA board of Directors meeting, the board adopted a motion to convert the school grant program to a school year basis vice a calendar year basis with an effective date of September, 2003. Seven grants for a total of \$41,714 have been awarded for the 2002-03 school year. A brief description of the school grants awarded is as follows:

<u>School</u>	<u>Amount</u>	<u>Program</u>
Akutan School	\$6,000	Senior trip to tour college campuses and fish plants
Atka	\$6,000	Scuba lessons for high school students
Nelson Lagoon School	\$5,720	Marine safety and fishing career opportunities
Nikolski	\$6,000	Navigation and water safety
False Pass School	\$5,994	Marine safety and fishing career opportunities
St. George School	\$6,000	Improvements to summer stewardship program
Unalaska City School	\$6,000	Generator for fish hatchery

APICDA also provides education and training opportunities to employees of APICDA and its subsidiaries. In the second quarter, three staff members attended various training and educational programs. Total exponders were \$5,449.

E. Other Issues

Quarterly Report Preparation: For the year 2003, management is making an effort to record time spent preparing quarterly report. APICDA has a complicated corporate structure. The existing

number of subsidiaries and projects within each subsidiary presents a detailed matrix that challenges even our contracted accountant firm. The majority of preparation time is spent in the accounting department. They spend approximately 50 person days alone preparing the report. Administration clocks in at approximately three person days to produce the final report. A significant amount of effort and energy continues to be put forth into preparation of the quarterlies.

III. Administration

A. Board Activities

1.) Changes in Board Members: There were no APICDA/AJV board member changes during the quarter.

2.) Decisions/Actions: The Board of Directors for APICDA did not meet in the second quarter. The APICDA Executive committee, AVI Board, Puffin Seafoods, and APICDA Budget and Audit committees met at various times in the second quarter. The APICDA and AJV board deemed it appropriate to dissolve the AJV Budget and Audit Committee and to pass on all responsibilities and duties of this committee to the APICDA Budget and Audit Committee.

There were no other decisions or actions of major consequence that are not included here, in the attached minutes, or in the confidential section of this report.

3.) Schedule for Next Quarter: The next APICDA board meeting is scheduled for September, 2003, although committees will meet throughout the quarter.

4.) Minutes: Approved minutes from board meetings in the second quarter are attached as **Appendix 14** in the confidential section of this report.

B. State Of Alaska Reporting Compliance

APICDA and its subsidiaries are and were in full compliance with all State of Alaska CDQ reporting regulations.

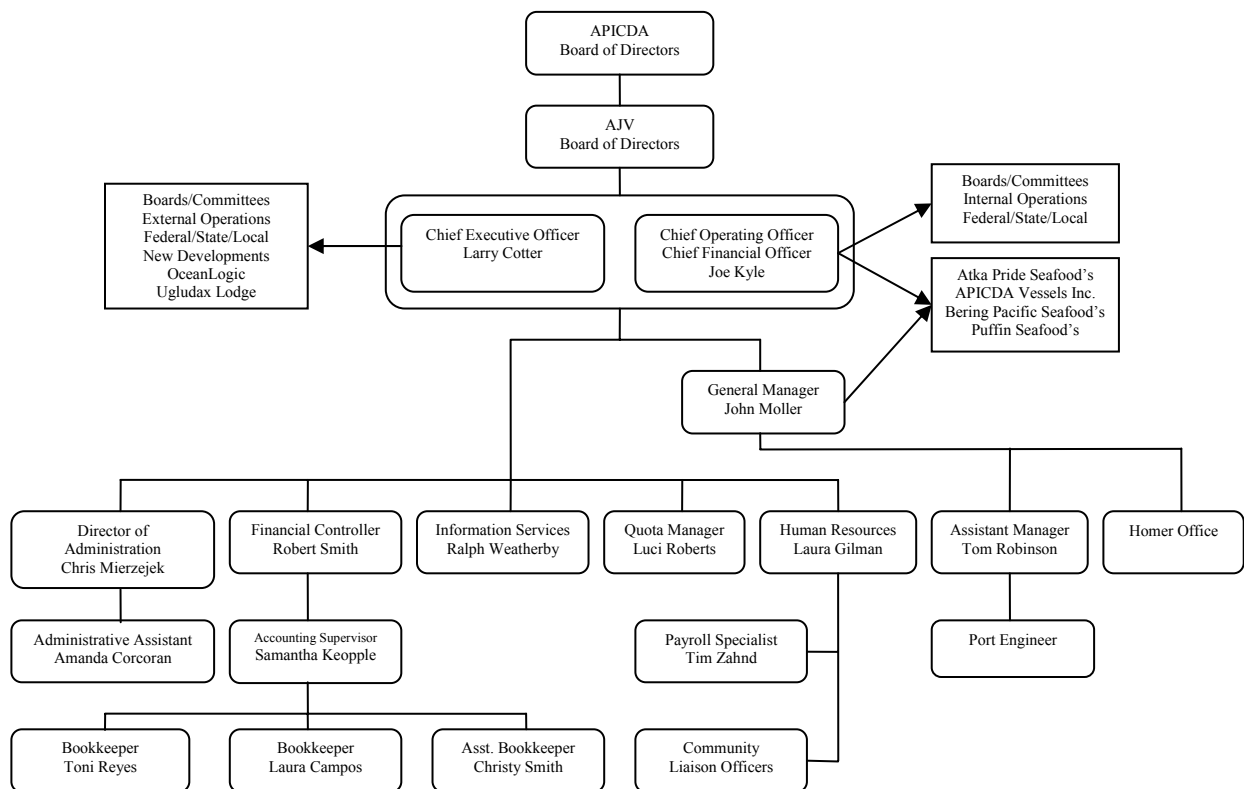
C. CDP Amendment Status

Shown below are the plan amendments approved through the second quarter:

2003 Technical / Substantial Amendments

Numbers	Technical or Substantial	Description	Date Submitted	Date Approved
03-01AP	Substantial	Purchase of F/V Galatea	04/08/03	04/11/03
03-02AP	Technical	Trident/Starbound 2003-2004 CDQ pollock contract	5/07/03	5/10/03
03-03AP	Technical	CDP Admin Project Sheets	5/14/03	5/20/03
03-04AP	Technical	2003 Atka Mackerel Harvest Agreement	5/16/03	5/16/03
03-05AP	Substantial	Transfer yellowfin sole from NSEDC	6/02/03	6/03/03
03-06AP	Technical	Revision of Konrad 1 fish plan	6/30/03	7/11/03

D. Corporate Organizational Structure



IV. Harvesting Report

A. Target Fishery Harvest Activity

1.) Pollock CDQ Harvest: The pollock “A” season CDQ fishery was completed in the first quarter. The *C/P Starbound*, *C/P Island Enterprise*, and *C/P Kodiak Enterprise*, harvested APICDA’s “A” season pollock. No activity in the second quarter.

CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	8,353.856	8,322.278				8,322.278	100.000%
B Season (60%)	mt	12,530.784					0.000	0.000%
BS Pollock Total	mt	20,884.640	8,322.278	0.000	0.000	0.000	8,322.278	40%
Bycatch								
Pacific Cod	mt	2,334.450	27.218				27.218	0.327%
BS FG Sablefish	mt	43.500					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	22.890					0.000	0.000%
AI Sablefish	mt	15.080					0.000	0.000%
WAI Atka Mackerel 543	mt	449.700					0.000	0.000%
CAI Atka Mackerel 542	mt	660.600					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	239.600					0.000	0.000%
Yellowfin Sole	mt	1,758.680	0.468				0.468	0.006%
Rock Sole	mt	792.000	28.367				28.367	0.341%
BS Greenland Turbot	mt	32.160	0.013				0.013	0.000%
AI Greenland Turbot	mt	16.830					0.000	0.000%
Arrowtooth Flounder	mt	168.300	0.698				0.698	0.008%
Flathead Sole	mt	300.000	40.558				40.558	0.487%
Other Flatfish	mt	58.500	0.051				0.051	0.001%
Alaska Plaice	mt	105.000	0.057				0.057	0.001%
BS Pacific Ocean Perch	mt	18.020					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	131.700					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	75.300					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	78.900					0.000	0.000%
BS Northern Rockfish	mt	0.000	0.001				0.001	0.000%
AI Northern Rockfish	mt	132.300					0.000	0.000%
BS Shortraker/Rougheye Rockfish	mt	0.000					0.000	0.000%
AI Shortraker/Rougheye Rockfish	mt	13.640					0.000	0.000%
BS Other Rockfish	mt	15.120	0.006				0.006	0.000%
AI Other Rockfish	mt	10.080					0.000	0.000%
Other Species	mt	370.719	9.162				9.162	0.110%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,746.000					0.000	0.000%
Zone 1 Bairdi Tanner Crab	ea	19,110.000					0.000	0.000%
Zone 2 Bairdi Tanner Crab	ea	53,460.000					0.000	0.000%
Opilio Tanner Crab	ea	81,563.000	3.000				3.000	0.036%
Pacific Halibut (mortality)	mt	75.460	0.486				0.486	0.006%
Chinook Salmon	ea	347.000	229.000				229.000	2.752%
Non-Chinook Salmon	ea	441.000					0.000	0.000%

2.) Yellowfin Sole CDQ Harvest: The F/T harvested all of APICDA's yellowfin sole in the second quarter.

CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
Yellowfin Sole	mt	2,128.680		2,055.382			2,055.382	100.000%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.000%
Pacific Cod	mt	2,334.450		46.510			46.510	2.263%
BS FG Sablefish	mt	43.500					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	22.890					0.000	0.000%
AI Sablefish	mt	15.080					0.000	0.000%
WAI Atka Mackerel 543	mt	449.700					0.000	0.000%
CAI Atka Mackerel 542	mt	660.600					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	239.600					0.000	0.000%
Rock Sole	mt	792.000		329.586			329.586	16.035%
BS Greenland Turbot	mt	32.160					0.000	0.000%
AI Greenland Turbot	mt	16.830					0.000	0.000%
Arrowtooth Flounder	mt	168.300		1.208			1.208	0.059%
Flathead Sole	mt	300.000		8.545			8.545	0.416%
Other Flatfish	mt	58.500		5.860			5.860	0.285%
Alaska Plaice	mt	105.000		61.861			61.861	3.010%
BS Pacific Ocean Perch	mt	18.020		0.036			0.036	0.002%
WAI Pacific Ocean Perch 543	mt	131.700					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	75.300					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	78.900					0.000	0.000%
BS Northern Rockfish	mt	0.000					0.000	0.000%
AI Northern Rockfish	mt	132.300					0.000	0.000%
BS Shortraker/Rougheye Rockfish	mt	0.000					0.000	0.000%
AI Shortraker/Rougheye Rockfish	mt	13.640					0.000	0.000%
BS Other Rockfish	mt	15.120					0.000	0.000%
AI Other Rockfish	mt	10.080					0.000	0.000%
Other Species	mt	370.719		26.075			26.075	1.269%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,746.000		581			710	34.567%
Zone 1 Bairdi Tanner Crab	ea	19,110.000		710			831	40.450%
Zone 2 Bairdi Tanner Crab	ea	53,460.000		831			547	26.613%
Opilio Tanner Crab	ea	81,563.000		547			17	0.842%
Pacific Halibut (mortality)	mt	75.460		17.315			0.000	0.000%
Chinook Salmon	ea	347.000					0	0.000%
Non-Chinook Salmon	ea	441.000					0	0.000%

3.) Pacific Cod CDQ Harvest: No activity in the second quarter

4.) Atka Mackerel CDQ Harvest: No activity in the second quarter

CDQ Crab Harvest

5.) Opilio CDQ Harvests: A total of 189,302 pounds of opilio CDQ was harvested during the second quarter. Vessels participating in the 2003 opilio harvest were the *Farwest Leader*, and *Billikin*. No activity in the second quarter

CDQ Reserve Category	Units	Annual Allocation	Trans. In	Trans. Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea C. <i>Opilio</i>	lbs	169,651			169,651	169,607				169,607	99.97%	44
Bering Sea C. <i>Bairdi</i>	lbs				0					0	0.00%	0
Bristol Bay Red King crab	lbs				0					0	0.00%	0
Norton Sound Red King crab	lbs	0			0					0	0.00%	0
Pribilof Red & Blue King crab	lbs	0			0					0	0.00%	0
St Matthew Blue King crab	lbs	0			0					0	0.00%	0

6.) Halibut Harvesting: Atka Pride Seafoods commenced operations in May. Through June 30, the local fleet had harvested a total of 155,000 pounds of area 4B CDQ and IFQ halibut and a small portion of sablefish (3,500 pounds).

St. George fishermen, fishing for Puffin Seafoods, started fishing in late June. The fish are being tendered to St. Paul, where Trident Seafoods is custom processing for Puffin. Through June 30, the local fleet had harvested a total of 10,000 pounds of halibut. Approximately 12 local residents are involved in the fishery

CDQ Category	Units	Annual Allocation	Trans. In	Trans. Out	Allocation after trans.	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
4B Halibut	lbs	836,000			836,000		122,564			122,564	14.66%	713,436
4C Halibut	lbs	152,250			152,250		7,143			7,143	4.69%	145,107
4D Halibut	lbs	0			0					0	0.00%	0
4E Halibut	lbs	0			0					0	0.00%	0

Total

129,707

858,543

7.) Bering Sea Sablefish Harvesting: The Konrad 1, harvested approximately 78 percent of APICDA's BS sablefish allocation in the second quarter. The vessel harvested with pots.

CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
BS FG Sablefish	mt	43.500		34.183			34.183	78.582%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.000%
Pacific Cod	mt	2,334.450					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	22.890					0.000	0.000%
AI Sablefish	mt	15.080					0.000	0.000%
WAI Atka Mackerel 543	mt	449.700					0.000	0.000%
CAI Atka Mackerel 542	mt	660.600					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	239.600					0.000	0.000%
Yellowfin Sole	mt	2,128.680					0.000	0.000%
Rock Sole	mt	792.000					0.000	0.000%
BS Greenland Turbot	mt	32.160		5.216			5.216	15.259%
AI Greenland Turbot	mt	16.830					0.000	0.000%
Arrowtooth Flounder	mt	168.300		7.257			7.257	21.230%
Flathead Sole	mt	300.000					0.000	0.000%
Other Flatfish	mt	58.500					0.000	0.000%
Alaska Plaice	mt	105.000					0.000	0.000%
BS Pacific Ocean Perch	mt	18.020					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	131.700					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	75.300					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	78.900					0.000	0.000%
BS Northern Rockfish	mt	0.000					0.000	0.000%
AI Northern Rockfish	mt	132.300					0.000	0.000%
BS Shortraker/Rougheye Rockfish	mt	0.000					0.000	0.000%
AI Shortraker/Rougheye Rockfish	mt	13.640					0.000	0.000%
BS Other Rockfish	mt	15.120					0.000	0.000%
AI Other Rockfish	mt	10.080					0.000	0.000%
Other Species	mt	370.719					0.000	0.000%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	1,746.000					0	0.000%
Zone 1 Bairdi Tanner Crab	ea	19,110.000					0	0.000%
Zone 2 Bairdi Tanner Crab	ea	53,460.000					0	0.000%
Opilio Tanner Crab	ea	81,563.000					0	0.000%
Pacific Halibut (mortality)	mt	75.460					0.000	0.000%
Chinook Salmon	ea	347.000					0	0.000%
Non-Chinook Salmon	ea	441.000					0	0.000%

8.) Aleutian Island Sablefish Harvesting: No activity in the second quarter.

PSC Harvests

9.) Pollock Harvested by Non-Pollock Vessels: No activity in the second quarter.

Pollock harvested by non-pollock vessels:				
	<u>Harvest(mt)</u>	<u>Retained (mt)</u>	<u>Discarded (mt)</u>	<u>% Retained</u>
Fixed Gear	0.000	0.000	0.000	0
Trawl Catcher Processor	0.000	0.000	0.000	0
Total	0.000	0.000	0.000	0

10.) PSC Not Accrued Against PSQ Allocations: No activity in the second quarter.

PSC that does not accrue against the PSQ allocation:					
	<u>Chinook</u>	<u>Non-Chinook</u>	<u>King Crab</u>	<u>Tanner</u>	<u>Opilio</u>
Fixed Gear	0	0	0	0	0
Trawl Catcher Processor	0	0	0	0	0
Trawl Catcher Vessel	0	0	0	0	0
Total	0	0	0	0	0

Transfers

- 11.) CDQ Allocation Transfers: APICDA received 370 metric ton of yellowfin sole from NSEDC in the second quarter. Of this 370 metric tons, Approximately 306 mt was harvested.

CDQ Group: NAME CDQ Reserve Category	Units	Initial Allocation	Transferred In	Transferred Out	Total After Transfers
BS Pollock	mt	20,884.640	0.000	0.000	20,884.640
Pacific Cod	mt	2,334.450	0.000	0.000	2,334.450
BS FG Sablefish	mt	43.500	0.000	0.000	43.500
AI FG Sablefish	mt	65.100	0.000	0.000	65.100
BS Sablefish	mt	22.890	0.000	0.000	22.890
AI Sablefish	mt	15.080	0.000	0.000	15.080
WAI Atka Mackerel 543	mt	449.700	0.000	0.000	449.700
CAI Atka Mackerel 542	mt	660.600	0.000	0.000	660.600
EAI/BS Atka Mackerel 541	mt	239.700	0.000	0.100	239.600
Yellowfin Sole	mt	1,758.680	370	0.000	2128.680
Rock Sole	mt	792.000	0.000	0.000	792.000
BS Greenland Turbot	mt	32.160	0.000	0.000	32.160
AI Greenland Turbot	mt	16.830	0.000	0.000	16.830
Arrowtooth Flounder	mt	168.300	0.000	0.000	168.300
Flathead Sole	mt	300.000	0.000	0.000	300.000
Other Flatfish	mt	58.500	0.000	0.000	58.500
Alaska Plaice	mt	157.500	0.000	0.000	157.500
BS Pacific Ocean Perch	mt	22.260	0.000	0.000	22.260
WAI Pacific Ocean Perch 543	mt	65.850	0.000	0.000	65.850
CAI Pacific Ocean Perch 542	mt	37.450	0.000	0.000	37.450
EAI Pacific Ocean Perch 541	mt	39.450	0.000	0.000	39.450
BS Northern Rockfish	mt	0.000	0.000	0.000	0.000
AI Northern Rockfish	mt	66.150	0.000	0.000	66.150
BS Shortraker/Rougheye Rockfish	mt	0.000	0.000	0.000	0.000
AI Shortraker/Rougheye Rockfish	mt	10.540	0.000	0.000	10.540
BS Other Rockfish	mt	13.680	0.000	0.000	13.680
AI Other Rockfish	mt	8.640	0.000	0.000	8.640
Other Species	mt	432.505	0.000	0.000	432.505
PSQ Reserve Category					
Zone 1 Red King Crab	ea	1,528.000	0.000	0.000	1,528.000
Zone 1 Bairdi Tanner Crab	ea	17.640	0.000	0.000	17.640
Zone 2 Bairdi Tanner Crab	ea	51,233.000	0.000	0.000	51,233.000
Opilio Tanner Crab	ea	78,300.000	0.000	0.000	78,300.000
Pacific Halibut (mortality)	mt	75.460	0.000	0.000	75.460
Chinook Salmon	ea	520.000	0.000	0.000	520.000
Non-Chinook Salmon	ea	662.000	0.000	0.000	662.000
Non-Specific Reserve	mt	106.025	0.000	0.000	106.025

B. Pollock & MSCDQ Harvested by Quarter and Y-T-D

MS CDQ / PSQ Account Status Report 2003													
CDQ Group: APICDA	Units	Initial	Trans.	Trans.	Allocation	CDQ / PSQ Catch Reported				YTD Harvest	Percent	CDQ / PSQ	Percent
CDQ Reserve Category		Allocation	In	Out	after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest	Harvested	Remaining	Remaining
BS Pollock	mt	20,884.640	0.000	0.000	20,884.640	8,322.278	0.000	0.000	0.000	8,322.278	39.8%	12,562.362	60.15%
Pacific Cod	mt	2,334.450	0.000	0.000	2,334.450	27.218	46.510	0.000	0.000	73.728	3.2%	2,260.722	96.84%
BS FG Sablefish	mt	43.500	0.000	0.000	43.500	0.000	34.183	0.000	0.000	34.183	78.6%	9.317	21.42%
AI FG Sablefish	mt	65.100	0.000	0.000	65.100	0.000	0.000	0.000	0.000	0.000	0.0%	65.100	100.00%
BS Sablefish	mt	22.890	0.000	0.000	22.890	0.000	0.000	0.000	0.000	0.000	0.0%	22.890	100.00%
AI Sablefish	mt	15.080	0.000	0.000	15.080	0.000	0.000	0.000	0.000	0.000	0.0%	15.080	100.00%
WAI Atka Mackerel 543	mt	449.700	0.000	0.000	449.700	0.000	0.000	0.000	0.000	0.000	0.0%	449.700	100.00%
CAI Atka Mackerel 542	mt	660.600	0.000	0.000	660.600	0.000	0.000	0.000	0.000	0.000	0.0%	660.600	100.00%
EAI/BS Atka Mackerel 541	mt	239.700	0.000	0.100	239.600	0.000	0.000	0.000	0.000	0.000	0.0%	239.600	100.00%
Yellowfin Sole	mt	1,758.680	370	0.000	2,128.680	0.468	2,055.382	0.000	0.000	2,055.850	96.6%	72.830	3.42%
Rock Sole	mt	792.000	0.000	0.000	792.000	28.367	329.586	0.000	0.000	357.953	45.2%	434.047	54.80%
BS Greenland Turbot	mt	32.160	0.000	0.000	32.160	0.013	5.216	0.000	0.000	5.229	16.3%	26.931	83.74%
AI Greenland Turbot	mt	16.830	0.000	0.000	16.830	0.000	0.000	0.000	0.000	0.000	0.0%	16.830	100.00%
Arrowtooth Flounder	mt	168.300	0.000	0.000	168.300	0.698	8.465	0.000	0.000	9.163	5.4%	159.137	94.56%
Flathead Sole	mt	300.000	0.000	0.000	300.000	40.558	8.545	0.000	0.000	49.103	16.4%	250.897	83.63%
Other Flatfish	mt	58.500	0.000	0.000	58.500	0.051	5.860	0.000	0.000	5.911	10.1%	52.589	89.90%
Alaska Plaice	mt	105.000	0.000	0.000	105.000	0.057	61.861	0.000	0.000	61.918	59%	43.082	41.03%
BS Pacific Ocean Perch	mt	18.020	0.000	0.000	18.020	0.000	0.036	0.000	0.000	0.036	0.2%	17.984	99.80%
WAI Pacific Ocean Perch 543	mt	131.700	0.000	0.000	131.700	0.000	0.000	0.000	0.000	0.000	0.0%	131.700	100.00%
CAI Pacific Ocean Perch 542	mt	75.300	0.000	0.000	75.300	0.000	0.000	0.000	0.000	0.000	0.0%	75.300	100.00%
EAI Pacific Ocean Perch 541	mt	78.900	0.000	0.000	78.900	0.000	0.000	0.000	0.000	0.000	0.0%	78.900	100.00%
BS Northern Rockfish	mt	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.001	N/A	N/A	N/A
AI Northern Rockfish	mt	132.300	0.000	0.000	132.300	0.000	0.000	0.000	0.000	0.000	0.0%	132.300	100.00%
BS Shortraker/Rougheye	mt	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	N/A	N/A	N/A
AI Shortraker/Rougheye	mt	13.640	0.000	0.000	13.640	0.000	0.000	0.000	0.000	0.000	0.0%	13.640	100.00%
BS Other Rockfish	mt	15.120	0.000	0.000	15.120	0.006	0.000	0.000	0.000	0.006	0.0%	15.114	99.96%
AI Other Rockfish	mt	10.080	0.000	0.000	10.080	0.000	0.000	0.000	0.000	0.000	0.0%	10.080	100.00%
Other Species	mt	370.719	0.000	0.000	370.719	9.162	26.075	0.000	0.000	35.237	9.5%	335.482	90.49%
PSQ Reserve Category													
Zone 1 Red King Crab	ea	1,746.000	0.000	0.000	1,746.000	0.000	581.270	0.000	0.000	581.270	33.29%	1,164.730	66.71%
Zone 1 Bairdi Tanner Crab	ea	19,110.000	0.000	0.000	19,110.000	0.000	710.480	0.000	0.000	710.480	3.72%	18,399.520	96.28%
Zone 2 Bairdi Tanner Crab	ea	53,460.000	0.000	0.000	53,460.000	0.000	831.410	0.000	0.000	831.410	1.56%	52,628.590	98.44%
Opilio Tanner Crab	ea	81,563.000	0.000	0.000	81,563.000	3.000	546.990	0.000	0.000	549.990	0.67%	81,013.010	99.33%
Pacific Halibut (mortality)	mt	75.460	0.000	0.000	75.460	0.486	17.315	0.000	0.000	17.801	23.59%	57.659	76.41%
Chinook Salmon	ea	347.000	0.000	0.000	347.000	229.000	0.000	0.000	0.000	299.000	65.99%	118.000	34.01%
Non-Chinook Salmon	ea	441.000	0.000	0.000	441.000	0.000	0.000	0.000	0.000	0.000	0.00%	441.000	100.00%

C. Compliance

APICDA and its partners are and were in full compliance with all NMFS and State of Alaska reporting requirements in the second quarter.

D. Other Fishing Issues/Activities

There were no other fishing issues or activities.

Table 1
Akutan Milestones

Project	Completion Date	Status
Monitor progress toward construction of large boat harbor in 2006.	2006	\$850,000 million commitment by APICDA.
Form sport fish joint venture.	2003	Pending.

Table 2
Atka Milestones

Project	Completion Date	Status
Continue water taxi and pilot boat activities.	Ongoing	Ongoing.
Process sablefish & halibut CDQ.	Ongoing	Ongoing.
Expand processing at APS, both by species and time of year.	Ongoing	Ongoing.
Pursue development of a small boat harbor in Atka.	Ongoing	Ongoing.
Provide limited vessel repair opportunity.	Ongoing	Ongoing.
Evaluate providing fuel depot services.	Ongoing	Proposed.
Evaluate warehouse storage opportunity.	Ongoing	Proposed.
Bring sport fish clients to Atka.	2003	Proposed.

Table 3
False Pass Milestones

Project	Completion Date	Status
Employ fifteen or more local residents in connection with Dipper operations.	Ongoing.	In progress.
Purchase and process 3 million pounds of Pacific cod, with focus on local fishermen.	Ongoing.	In progress.
Maximize financial return.	Ongoing.	Ongoing.
Complete plan to transition to shoreplant.	2004	Pending.
Construct shore plant and expand operations.	2005	Pending.
Complete joint venture discussions for store.	2003	Pending.
Pursue development of a small boat harbor in False Pass.	2005	Ongoing.

Table 4
Nelson Lagoon Milestones

Project	Completion Date	Status
Complete feasibility study, business plan and design for processing plant.	2004	Pending.
Construct plant.	2005	Pending.

Table 5
Nikolski Milestones

Project	Completion Date	Status
Employ six or more local residents in lodge business.	Ongoing	In progress.
Maximize financial return from Ugludax Lodge.	Ongoing	In progress.

Table 6
St. George Milestones

Project	Completion Date	Status
Complete engineering and permitting; construct shore plant.	2003	Pending.
Open facility and process crab, Pacific cod and halibut.	2004	Pending.
Provide 40 or more local jobs in connection with construction of the plant, harvesting, processing, and ancillary activities.	2004/05	Pending.
Maximize financial return from processing company.	2004/05	Pending.
Harvest 4C halibut CDQ and IFQ.	2003/2005	Ongoing.
Maintain gear and vessel upgrade program	2003/2005	Ongoing.
Identify Tract I tenants and generate revenue from facilities.	2003/2005	Ongoing.
Expand number of sport fish visitors to St. George.	2003/2005	Pending.
Provide employment for six or more local residents in conjunction with sport fishing business.	2003/2005	Pending.
Maintain Puffin Seafoods as a viable business.	2003/2005	Ongoing.

Table 7
Other APICDA Milestones

Project	Completion Date	Status
Purchase large commercial fishing vessels.	Ongoing	Ongoing.
Continue Quota Share Loan Guarantee Program.	Ongoing	Ongoing.
Purchase Quota Shares.	Ongoing	Ongoing.
Provide annual donation to local fishermen's associations.	Spring (each year)	Ongoing.
Hold annual APICDA Village Outreach Conference.	Spring (annual)	Ongoing.
Assessment of Product Diversification Program expansion opportunities.	Ongoing	Ongoing
Develop flatfish operation.	Ongoing	In process.
Distribute annual school grants.	Winter (annual)	Ongoing.
Establish higher education scholarship funding levels and identify recipients.	Spring (annual)	Ongoing.
Implement revised Small Vessel Acquisition Program.	2003	Proposed
Evaluate all joint venture and subsidiary investments from a goal, objective, and ROI making perspective.	Ongoing	Ongoing.
Maximize harvest of all APICDA MSCDQ allocations.	Ongoing	Ongoing.
Maximize the harvest of target species and minimize the harvest of incidental species,	Ongoing	Ongoing.

particularly prohibited species.		
Maximize the use of gear types that have minimize adverse impacts upon habitat.	Ongoing	Ongoing.
Monitor MSCDQ vessel harvesting activities on an individual vessel basis to manage target and non-target harvests.	Ongoing	Ongoing.
Monitor MSCDQ vessel activities to ensure compliance with all federal and state regulations.	Ongoing	Ongoing.
Comply with all state and federal reporting requirements on a timely basis.	Ongoing	Ongoing.
Achieve a royalty return from MSCDQ harvesting and processing operations that are fair to all parties involved.	Ongoing	Ongoing.
Maximize the return from MSCDQ harvesting and processing operations by participating as a whole or part-owner at as many levels of the industry (harvesting, processing, marketing, etc.) as possible and practical.	Ongoing	Ongoing.
Maximize the employment of local residents in all phases of MSCDQ harvesting, processing, and marketing.	Ongoing	Ongoing.
Contribute ten percent of annual APICDA revenue into the Longterm Reserve Account (LRA) until \$5 million.	Ongoing	Ongoing.
Invest LRA funds in accordance with APICDA's Investment Guidelines.	Ongoing	Ongoing.
Manage non-LRA funds to maximize liquidity while emphasizing security.	Ongoing	Ongoing.
Normally generate one-half to one percent above prime as a rate of return for internal loans.	Ongoing	Ongoing.

Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Ongoing	Ongoing.
Maintain a cash flow projection six months into the future.	Ongoing	Ongoing.
Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Ongoing	Ongoing.
File quarterly and annual reports on a timely basis.	Ongoing	Ongoing.
Comply with all CDQ federal and state rules and regulations.	Ongoing	Ongoing.
Complete an annual audit.	Ongoing	Ongoing.
Have regular board and sub-committee meetings.	Ongoing	Ongoing.
Review by-laws on an annual basis.	Ongoing	Ongoing.
Ensure that fishermen associations conduct their APICDA board representative elections in accordance with appropriate by-laws.	Ongoing	Ongoing.
Ensure that staff implements board policies as enunciated.	Ongoing	Ongoing.
Maintain Quota Share Retention Program.	Ongoing	Ongoing.
Maintain College Intern Program.	Ongoing	Ongoing.
Implement a comprehensive set of board administrative policies developed and adopted by the APICDA and AJV Board of Directors.	Winter 2003	Ongoing

Implement an investment criteria matrix developed and adopted by the APICDA and AJV Board of Directors.	Winter of 2003	Ongoing
Establish standards/guidelines for due diligence analysis of potential investments developed and adopted by APICDA and AJV Board of Directors.	Winter of 2003	Ongoing
Evaluate newly developed corporate governance structure and provide recommendations for improvement of governance considered.	Spring of 2005	Ongoing
Define responsibilities for the completion of strategic assessment planning.	Summer of 2003	Ongoing
Board affirms APICDA purpose and defines long-term vision for the corporation. Completion date	Fall of 2003.	Ongoing
The APICDA board trained on use of strategic plan and instrument panel to monitor performance of projects.	Fall of 2003	Ongoing
Strategic investment completed using new Board of Directors investment criteria.	Winter of 2003	Ongoing
Develop corporate internal assessment and priority initiatives.	Spring of 2004	Ongoing
Identify planning of strategic and internal improvement initiatives.	Spring of 2004	Ongoing
Provide an effective method for tracking progress on initiatives developed and implemented.	Spring of 2004	Ongoing
Identify responsibilities, authorities, and accountabilities of each management member.	Summer 2003	Ongoing

Clarify and define new management job descriptions implemented and disseminated.	Fall of 2003	Ongoing
Identify method to measure performance on accountabilities defined and implemented.	Fall of 2003	Ongoing
New management structure evaluated by management team and by staff.	Spring of 2004	Ongoing
Establish criteria for projects to be managed by new internal project management system.	Summer of 2003	Ongoing
Develop a template/process for completion of due diligence on new ventures planned and approved by the board of directors.	Fall of 2003	Ongoing
Provide alternatives for project management system researched and system selected.	Fall of 2003	Ongoing
Develop a template/process for due diligence on new ventures implemented.	Winter of 2003	Ongoing
Incorporate policy/procedure for launching projects that defines structure and authority implemented.	Winter of 2003	Ongoing
Project management system implemented	Spring 2004	Ongoing